



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: January 2009 Investment Report

RECOMMENDATION:

That Council accept the January 2009 Investment Report

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of January 31, 2009.

ATTACHMENT: January 2009 Investment Report

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
January 31, 2009

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

01/05	LAIF Deposit/City	\$ 1,000,000
01/08	LAIF Deposit/City	2,000,000
01/09	LAIF Deposit/City	2,000,000
01/12	LAIF Deposit/City	1,100,000
01/16	LAIF Deposit/City	1,500,000
01/21	LAIF Deposit/City	1,200,000
01/22	LAIF Deposit/City	2,300,000
01/27	LAIF Deposit/City	1,300,000
01/30	LAIF Deposit/City	6,400,000
	Total	\$ 18,800,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

01/02	Federal Home Loan Bank (FHLB) Call	\$ (2,000,000)
01/09	Federal Home Loan Mortgage Corp. (FHLMC) Call	(2,000,000)
01/15	LAIF Withdrawal/City	(1,000,000)
01/16	Federal Home Loan Mortgage Corp. (FHLMC) Call	(2,000,000)
01/20	LAIF Withdrawal/City	(1,100,000)
01/22	Federal Farm Credit Bank (FFCB) Maturity	(2,000,000)
01/29	LAIF Withdrawal/City	(3,300,000)
	Total	\$ (13,400,000)

ACTIVITY TOTAL

\$ 5,400,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 486,659
Amortization	23,822
SBB&T Sweep Account Interest	101
SBB&T Trust Account M/M Interest	215
Total	\$ 510,797

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 42,393
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TOTAL INTEREST EARNED

\$ 553,190

CITY OF SANTA BARBARA
Summary of Cash and Investments
January 31, 2009

ENDING BALANCE AS OF DECEMBER 31, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 48,600,000	2.353%	28.72%	1
Certificates of Deposit	2,000,000	2.500%	1.18%	321
Treasury Securities - Coupon	3,995,736	4.751%	2.36%	90
Federal Agency Issues - Coupon	91,587,246	4.581%	54.13%	767
Corporate/Medium Term Notes	15,227,309	4.909%	9.00%	457
SB Airport Promissory Note	7,800,000	6.500%	4.61%	180
Totals and Averages	\$ 169,210,290	4.038%	100.00%	471
SBB&T Money Market Account	1,757,001			
Total Cash and Investments	\$ 170,967,292			

NET CASH AND INVESTMENT ACTIVITY FOR JANUARY 2009 **\$ 5,722,065**

ENDING BALANCE AS OF JANUARY 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 62,000,000	2.046%	35.50%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.15%	290
Treasury Securities - Coupon	3,998,287	4.750%	2.29%	59
Federal Agency Issues - Coupon	83,603,816	4.600%	47.87%	708
Corporate/Medium Term Notes	15,232,009	4.909%	8.72%	426
SB Airport Promissory Note	7,800,000	6.500%	4.47%	149
Totals and Averages	\$ 174,634,112	3.784%	100.00%	388
SBB&T Money Market Account	2,055,244			
Total Cash and Investments	\$ 176,689,357			

Note:

(1) The average life of the LAIF portfolio as of January 31, 2009 is 215 days.

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	2.046	2.046	37,800,000.00	37,800,000.00	37,800,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.046	2.046	24,200,000.00	24,200,000.00	24,200,000.00	0.00	
Subtotal, LAIF							62,000,000.00	62,000,000.00	62,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,999,351.56	2,026,410.00	27,058.44	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,998,935.81	2,002,580.00	3,644.19	
Subtotal, Treasury Securities							4,000,000.00	3,998,287.37	4,028,990.00	30,702.63	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,996,699.79	2,015,000.00	18,300.21	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,749.56	2,048,440.00	48,690.44	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,026,193.16	2,162,190.00	135,996.84	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,984.67	2,004,380.00	4,395.33	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,989,746.25	2,104,380.00	114,633.75	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,036,880.00	36,880.00	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	988,341.79	1,028,440.00	40,098.21	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,981,367.34	2,038,440.00	57,072.66	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,010,306.79	2,160,010.00	149,703.21	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,951,972.84	2,095,320.00	143,347.16	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	997,197.58	1,042,500.00	45,302.42	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Continuously callable
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,772.67	1,058,595.00	57,822.33	
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,001,693.63	2,034,380.00	32,686.37	
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,018,440.00	18,440.00	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,997,750.00	2,012,190.00	14,440.00	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,982,400.86	2,049,370.00	66,969.14	
FEDERAL HOME LOAN BANK	09/25/08	08/18/09	Aaa	AAA	3.750	3.231	2,000,000.00	2,005,525.76	2,033,440.00	27,914.24	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	10/01/08	03/30/09	Aaa	AAA	3.580	3.520	2,000,000.00	2,000,194.47	2,010,000.00	9,805.53	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,001,035.67	1,026,720.00	25,684.33	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,988.37	2,416,452.15	71,463.78	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,662.62	2,108,130.00	108,467.38	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,991,763.62	2,088,440.00	96,676.38	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,447,022.02	1,465,863.00	18,840.98	

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,989,567.48	2,082,500.00	92,932.52	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,020,310.00	20,310.00	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,980,603.49	2,061,560.00	80,956.51	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,032,190.00	32,190.00	
FEDERAL HOME LOAN BANK	10/15/08	07/15/11	Aaa	AAA	4.000	4.002	2,000,000.00	2,000,000.00	2,019,070.00	19,070.00	Callable 7/15/09, once
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	2,004,420.00	4,420.00	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	994,935.99	1,018,610.00	23,674.01	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,985,034.11	2,088,400.00	103,365.89	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,054,840.00	54,840.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	2,007,420.00	7,420.00	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	5,015,700.00	15,700.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,986,537.47	2,063,740.00	77,202.53	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,017,700.00	17,700.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,966,291.51	2,078,500.00	112,208.49	
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,988,683.42	2,083,750.00	95,066.58	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,998,487.19	2,003,760.00	5,272.81	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,999,306.19	2,007,500.00	8,193.81	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,056,570.00	56,570.00	Callable 3/05/10, once
Subtotal, Federal Agencies							83,795,000.00	83,603,816.31	85,777,660.15	2,173,843.84	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,260,169.50	2,301,030.00	40,860.50	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,037,560.00	2,067,620.00	30,060.00	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,992,327.50	2,013,660.00	21,332.50	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	996,605.52	999,970.00	3,364.48	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,987,371.62	1,992,860.00	5,488.38	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,981,856.25	2,001,880.00	20,023.75	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa3	AA	4.875	5.260	2,000,000.00	1,986,443.03	2,002,960.00	16,516.97	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa3	AA	4.625	5.000	2,000,000.00	1,989,675.33	1,997,760.00	8,084.67	
Subtotal, Corporate Securities							15,250,000.00	15,232,008.75	15,377,740.00	145,731.25	
SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	06/30/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	
Subtotal, SBA Note							7,800,000.00	7,800,000.00	7,800,000.00	0.00	
TOTALS							174,845,000.00	174,634,112.43	176,984,390.15	2,350,277.72	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.